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Agricultural Land Base Rates For The Assessment Dates: March 1, 2008 – 2014

<table>
<tr><td>Data Year</td><td>2000</td><td>2001</td><td>2002</td><td>2003</td><td>2004</td><td>2005</td><td>2006</td><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>2011</td></tr>
<tr><td>Tax Year</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>14 Pay 15</td><td></td><td></td><td></td><td></td><td></td><td></td><td colspan="6">$ 2,050 *</td></tr>
<tr><td>13 Pay 14</td><td></td><td></td><td></td><td></td><td></td><td colspan="6">$1,760 *</td><td></td></tr>
<tr><td>12 Pay 13</td><td></td><td></td><td></td><td></td><td colspan="6">$1,630 *</td><td></td><td></td></tr>
<tr><td>11 Pay 12</td><td></td><td></td><td></td><td colspan="6">$1,500 *</td><td></td><td></td><td></td></tr>
<tr><td>10 Pay 11</td><td></td><td></td><td colspan="6">$1,290 *</td><td></td><td></td><td></td><td></td></tr>
<tr><td>09 Pay 10</td><td></td><td colspan="6">$1,250</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>08 Pay 09</td><td colspan="6">$1,200</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
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The Agricultural Land Base Rate calculation was first established for the 2002 general reassessment and was developed in compliance with the St. John's court case using the methodology described below. The statute related to the base rate calculation can be found at IC 6-1.1-4-4.5(e).

The calculations made for 2007 payable in 2008 through 2014 payable in 2015 are based on a rolling six-year average of market value in use. Prior calculations were made based on a four-year rolling average. As illustrated in the following equation, the market value in use of agricultural land is calculated by dividing the net income of each acre by the appropriate capitalization rate.

Market value in use = Net Income / Capitalization Rate

The change in market value in use is based on changes in cash rent, yields, production costs, market prices and interest rates. For example, the change for 2014 pay 2015 was the result of the removal of the 2005 data and the addition of the 2011 data.

Net Cash Rents increased from $110 in 2005 to $160 on 2011. While yields for corn decreased from 154 bushels in 2005 to 146 bushels in 2011 and yields for soybeans decreased from 49 bushels in 2005 to 45 bushels in 2011, prices for corn increased considerably from $1.99 in 2005 to $5.38 in 2011 (market year average) and prices for soybeans also increased considerably from $5.66 in 2005 to $11.50 in 2011 (market year average). The net effect of the higher prices and decreased yields resulted in a sizable increase in profits. Interest rates also dropped from 7.22% in 2005 to 5.61% in 2011, which would increase market value under the income approach.

***March 1, 2010 payable in 2011:**
Senate Enrolled Act (SEA) 396 required the elimination of the highest year of the six years of data from the calculation.